

JD EDWARDS ENTERPRISEONE TRADE PROMOTION MANAGEMENT

POWERED BY ORACLE DEMANTRA

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JD EDWARDS ENTERPRISEONE

KEY BENEFITS

- Increased sales with improved trade spend effectiveness
- Improved service levels, reduced inventory levels, and lower distribution costs as a result of more accurate account volume forecasts
- Increased profitability due to more efficient and effective promotions
- Improved fact-based selling through better insights
- Improved retailer acceptance of promotion proposals
- Reduced deduction write-offs and improved cash flow
- Decreased time spent administering promotions, resolving deductions and more time spent selling
- Integrated solution with fast time to benefit and low cost of ownership

You need to improve your profitability by improving your investment return generated from your trade spend. You also want to efficiently monitor and control your spending while validating your customers' compliance with trade agreements as sales and distribution relationships get more complex. And it all needs to be in harmony with your financial and supply chain management systems. With JD Edwards EnterpriseOne Trade Promotion Management you can accomplish these goals plus benefit from best-of-breed technology integrated from Oracle Demantra.

The Issue: Getting more out of the huge expense of trade promotions.

The average consumer goods company spends about 17 percent of total revenue on trade promotions. When you are involved in a trade promotion campaign, you want your investment to target and design the right activities so that your expenses are minimized and your return is maximized – a simple business proposition that is not often easy to achieve. To reach this goal you need to reduce your ineffective promotions and invest only in effective activities that can positively impact your top and bottom line performance. Other challenges you face include:

- Accurate sales forecasts are difficult to obtain and can frustrate your sales force, taking focus away from growing your business.
- Processing and matching customer deductions are many times complex and time consuming.
- Paying unearned settlements to customers hurts bottom line performance.

The Solution: Trade Promotion Management Integrated to your ERP System

With Oracle's JD Edwards EnterpriseOne Trade Promotion Management (Powered by Oracle Demantra) you address these challenges so that you maximize your return while minimizing your investment all within an integrated, single database ERP system that works across your business footprint.

JD Edwards EnterpriseOne Trade Promotion Management utilizes Demantra's Predictive Trade Planning capability so that you generate not just an accurate view of baseline sales and the corresponding promotional lift, but you also consider product cannibalization and pantry loading. The result – you get a complete understanding of the impact of your promotional activity in a graphical format (see Figure 1) that can also be consumed by standard JD Edwards EnterpriseOne MRP processes. Your trade promotions are fully integrated to your ERP.

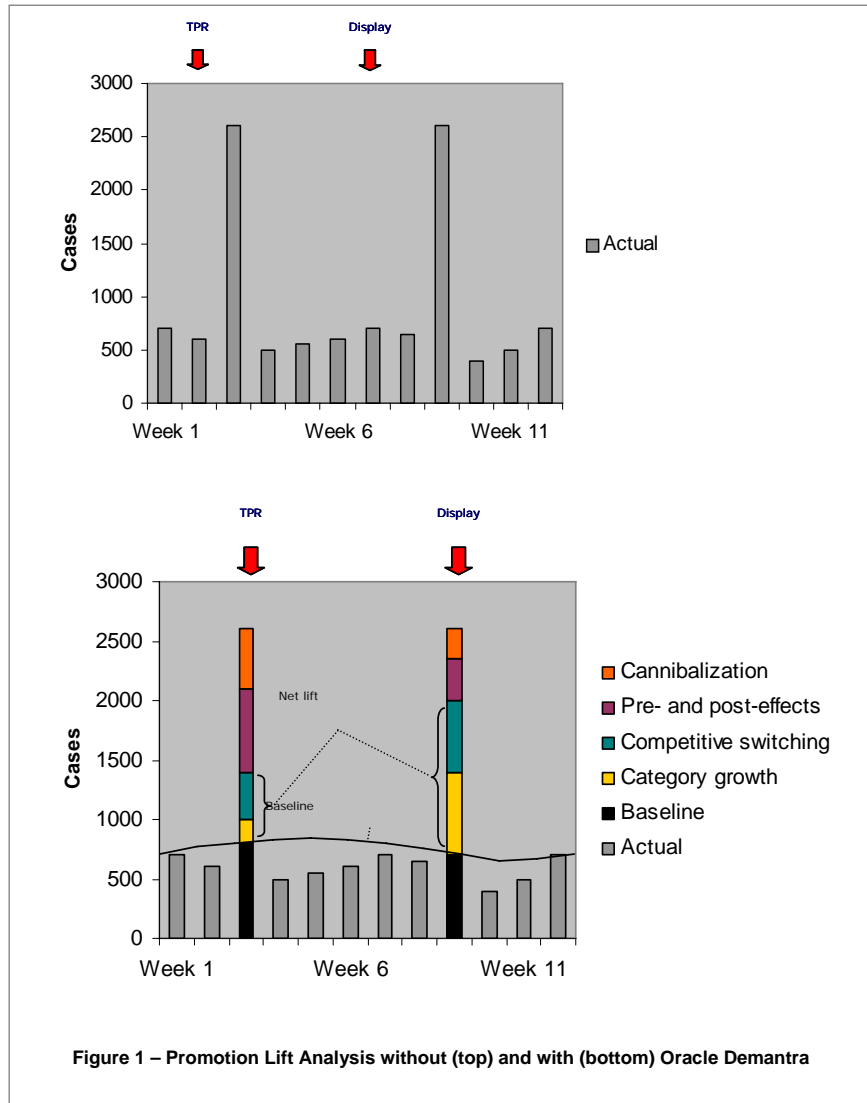


Figure 1 – Promotion Lift Analysis without (top) and with (bottom) Oracle Demantra

This integration goes beyond trade planning. To maximize your promotion effectiveness, JD Edwards EnterpriseOne has also integrated Demantra’s Promotion Optimization solution that goes beyond “what-if” scenario planning. The embedded optimization technology considers a nearly infinite number of promotion scenarios and recommends the best promotion to run. You then select from various optimization objectives including:

- Maximized revenue
- Maximized volume
- Maximized profits

The optimization engine is designed to stay within reasonable bounds based on budgetary and customer constraints.

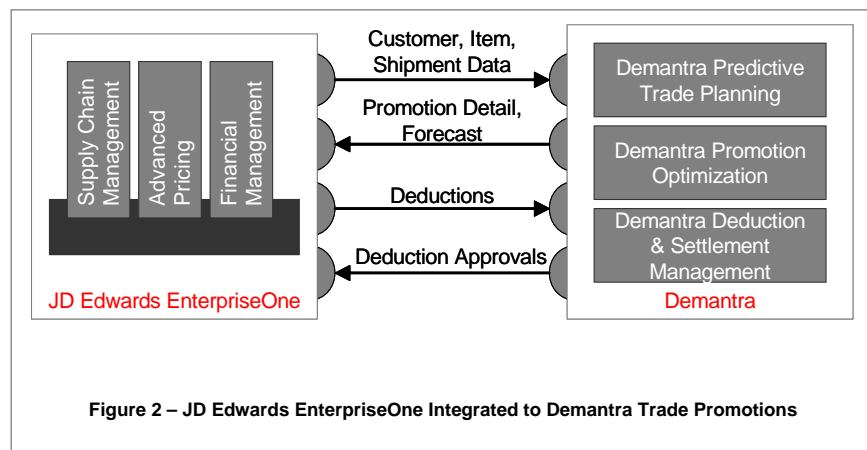
JD Edwards EnterpriseOne has also added Deduction and Settlement Management to close the loop of the trade promotion management process by tracking and resolving deductions and other settlement methods common in the consumer goods industry. This integration assists sales, broker, customer service, and finance users in matching retailer

deductions, bill-backs, claims, and off-invoice discounts against promotion events. You gain with quicker, easier, and less expensive administration of deductions plus a reduction in write-offs for unauthorized deductions. Your margins improve as your business grows.

Fully Integrated to your JD Edwards EnterpriseOne ERP System

This integration with Demantra follows an active bi-directional data exchange process (see Figure 2) that utilizes your JD Edwards EnterpriseOne business software:

1. To manage the full trade promotion business process, your sales history is gathered from JD Edwards EnterpriseOne and correlated to promotion history in Demantra.
2. Promotion planning is then completed using **Predictive Trade Planning** and **Promotion Optimization** in Demantra.
3. The resulting forecast is consumed by MRP modules in JD Edwards EnterpriseOne while the promotional details are loaded into JD Edwards EnterpriseOne Advanced Pricing.
4. When JD Edwards EnterpriseOne Accounts Receivable finds a trade promotion related deduction, it sends it for validation to the Demantra **Deduction and Settlement Management** solution.



Feature/Function Highlights

- Execute your promotion plans using JD Edwards EnterpriseOne Sales Order Management and Advanced Pricing
- Provide accurate and up-to-date projections of accrual-based budgets and anticipated spending levels
- Leverage JD Edwards EnterpriseOne Accounts Receivable to close the loop of trade promotion management by tracking and resolving deductions and other settlement methods common in the consumer goods industry

- Use JD Edwards EnterpriseOne sales history and syndicated data to measure, predict, and optimize promotion lift, taking into account effects such as cannibalization and consumer stockpiling
- Simulate different scenarios and use optimization technology to determine which marketing tactics will yield maximum return on investment
- Use workflow, auto- and smart-matching to tailor deduction processes for different channels and retailers
- Use reporting, business logic, and auditing to support Sarbanes-Oxley compliance requirements
- Pay customer claims using JD Edwards EnterpriseOne Accounts Receivable or Accounts Payable
- Seamless integration with Demantra Demand Management as well as sales and operations planning
- Match retailer deductions, bill-backs, claims, and off-invoice discounts against promotion events
- Capture deductions, notes, communications, and scanned documents (such as checks)
- Leverage seeded reports for deductions clearing and payment processing
- Comprehensive audit trail with online trace and reporting

Solution Integration

This integration is typically used with these JD Edwards EnterpriseOne products and suites across your business using common tools and a Pure Internet Architecture:

- JD Edwards EnterpriseOne Financial Management
- JD Edwards EnterpriseOne Order Management
 - Advanced Pricing
 - Sales Order Management

Integration between JD Edwards EnterpriseOne and Demantra Trade Promotion Management is available for JD Edwards EnterpriseOne starting with release 8.12 and Oracle Demantra 7.2.

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